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securing capital, the state guarantee of interest, the question of land grants, of parallel lines or monopolies, the rates to be charged and the dividends, state building or partial state building as in France, State operating or leasing, political or business management,—All these and other questions had to be solved there as they have had to be solved in Europe and America. Local conditions and customs did much in determining the solution there, and it is the differences that these local conditions caused in the problem that are of most interest. What they did and experienced in the same way that Europe and America have long since done and described possesses only the interest of a twice told tale, but where they have gone farther than we, and presumably can throw light on the problems that must be faced in the near future, the account will be more valuable. Unfortunately this volume ends with the account of the victory of the state over the private systems in 1873, and so does not bring us on to the new ground at all. The experience of the last decade is what we want most, and if Dr. Kandt will give it to us with the same care and thoroughness as he has shown in writing the earlier history his work will be appreciated by all students, whether they agree with his conclusions or not.

WILLIAM HILL.

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*L'Agriculture aux Etats-Unis.* BY EMILE LEVASSEUR. Paris : 1894.

ONE result of M. Levasseur's visit to this country last year is this attractive volume on American agriculture. The purpose of the book is to give a conspectus of the industry as it exists today, with so much of historical matter as may be necessary to a clear apprehension of the factors that make up the present situation. The scope of the book is quite comprehensive. It introduces the subject with a chapter on statistical and other sources of information, and on the publications and methods of official bodies, state and federal, especially of the Department of Agriculture. In his survey of the methods by which statistical information is obtained M. Levasseur shows an appreciation of the difficulties of the task as well as of the shortcomings of the results achieved. By an easily intelligible mistake, a short supplementary bibliography, of very limited scope, appended to this chapter (pp. 13-14) on the sources of information, has been unintentionally given a claim of exhaustiveness which it belies in a very unfortunate manner.

From a comparison of the present condition of American farming

with its past and with the farming situation in other countries, the inference is drawn (p. 44) that the complaints of the farmers of the country are not altogether well grounded. Cheap and fertile soil goes far to offset any advantage which their competitors in older countries may possess in the way of proximity to the market, cheap labor, or low standard of living. The American farmer has the advantage of low rent, or of a low price of land (which is the capitalized expression of a low rent), and this suggests that the remedy ready at hand for the depression in agriculture in France and other European countries is a lowering of rents to the true value of the land as a means of production.

The farmer properly pays for the use of the instrument of production in proportion to what it will produce. If it is true that it has now become impossible for him to go on producing at current prices, he has a right to demand a reduction of rents to a point where an equilibrium will be established, that is to say, a point at which he can produce without loss. . . . Interest on capital has sensibly declined during the past thirty years, in France and elsewhere; capitalists have yielded to the force of necessity. Why should not the rate of interest paid on landed capital, that is the interest as counted in terms of money, submit to the same law when a revolution in the production and distribution of agricultural products has virtually changed the terms of the contract by diminishing the power which landed capital possessed of yielding a money product?

When this rule is applied to the farming industry of this country, as the facts of the situation today are applying it with constantly increasing rigor, it affects not so much the relation between tenant and landlord as that between debtor and creditor, and, what is of equal significance and is submitted to with equal reluctance, it reduces the nominal value, the value in terms of money, at which the "independent" farmer's property is capitalized.

Following the two introductory chapters, on Statistics and Sources of Information, and on the Rural Economy, the main body of the volume is taken up with a detailed description occupying some 300 pages, beginning with the Cultivation of Cereals and other Vegetable Products, and comprising, among other things, chapters on Forestry and Timber Lands, Land Sales and Mortgage Indebtedness, and Markets and Prices. While this survey is admirably lucid and concise, and while the information it contains surprises one rather by the accuracy and insight which it displays than by any absence of these qualities, the limits of space preclude any exhaustive treatment of the subject on a scope so broad as that of M. Levasseur's book. It is, as it is intended to be, a work of general information for European readers

first and foremost; but M. Levasseur's impartial attitude and breadth of view, as well as his very compact and entertaining presentation of his subject, gives it a high value also for Americans.

Speaking of the cost of production of grain, with a view to the relative advantages enjoyed by American farmers and their European competitors, M. Levasseur finds that writers interested in upholding a thesis have been too prone to make much of some special factor in the situation, such as changes in tariff and the like, while they have neglected the dominant human factor. "In agriculture as in industry at large, success depends in great part on the man." It is not safe to predict, for example, as has so frequently been done, that if the market price of the product falls permanently below a given figure production cannot go on. A change of this kind, unless it goes to an extreme, need not produce such radical effects.

In all industry, whether manufacturing or agricultural, a large number of the persons engaged are of a vegetative habit; they get their livelihood by their business, and expand or contract their scale of living to correspond with their profits. In agriculture especially this mass of vegetative producers is enormous. The United States are no exception in this respect, although the standard of living in that country is higher than in France. The American farmers complain of low prices; most assuredly, there are years when many do business at a loss, that is, spend more money on their business and their livelihood than they make; but on an average, and allowance being made for the proper exceptions, farming has so far afforded the farmers a living,—otherwise it would have been abandoned.

In the section treating of Prices and Freight Rates there occur one or two mistakes to which attention may be called. On page 318 (note) it is remarked that the freight rates given in cents per bushel in the *Statistical Abstract of the United States* do not correspond with those given in the *Report of the Interstate Commerce Commission* in cents per 100 pounds, "the bushel being counted at 46 pounds"! If the rates are converted from the one schedule to the other at 60 pounds to the bushel it will be found that they agree as nearly as figures of this class can be expected to agree. The following (p. 323) is also a little confusing: "The difference between the highest and lowest price [of wheat] for the year in Chicago is commonly very pronounced, having been as great as 125 cents in 1886, under the *paper-money régime*, and 92 cents in 1888 under the régime of specie payments." Apart from the slip by which 1886 is brought under the "régime of paper money," there is the correction to be made here that 1886 was a particularly sluggish year for the wheat market, the price of cash wheat never

reaching one dollar, and the range for the year not exceeding some 20 or 25 cents; if the date given is a misprint for 1868, it is to be remarked that wider divergences occurred during the sixties; it is more probable that the larger figure is intended for the year 1888 when the price varied by something over 125 cents, going as high as \$2 at the end of September (the month of the notorious corner associated with the name of Mr. Hutchinson), and as low as 72-73 cents during the early part of the year.

As to the future of American agriculture the opinion expressed is hopeful without being enthusiastic :

American production has two outlets : home consumption and exportation. Improvement in the agriculture of Europe, extension of grain and cattle culture in other exporting countries, and obstructive tariffs in importing countries may disturb the export trade of the United States, but will not drive them out of the foreign markets. America will continue to export. What proportion of her product, the future alone can tell. What is certain is that it will require added effort to hold the markets already occupied or to find new ones, for more countries are constantly entering the market with agricultural products, and the facilities for transportation are increasing, resulting in increased competition. But, on the other hand, it is beyond question that American industry can aid American agriculture in opening up new outlets for its products by diversifying the form in which the goods are put on the market, (p. 349).

Home consumption will of course also increase; more slowly, probably, than in the past,<sup>1</sup> but still very appreciably. "There are writers who fancy that they can see afar off the day when America will contain a population dense enough to consume all the agricultural products of the country. That day, if it is coming at all, is too remote to occupy our thoughts at present. . . . For the present generation it is idle to count on the home consumption to carry off the entire product and so remove the necessity of an export market." (p. 350.) "Prices will remain low . . . . If this abundant supply is to become, as I am persuaded it will be, a permanent feature of the market in the future, it is not improbable that prices will fall even below their present level, to a point which it would be rash to attempt to fix." (p. 351). "One of the consequences of low prices will probably be a decline in the value of farms devoted exclusively or principally to the

<sup>1</sup>By an oversight, quite explicable, but misleading, a statement made in the JOURNAL (June, 1893, p. 375), that "*the bread-eating population of the countries which draw on the supplies of the general market to which America contributes, may be expected to increase by ten per cent. in ten years,*" is referred to (p. 350) as an estimate applying to the future rate of increase of *the population of the United States*.

production of the depreciated articles," (p. 353). The ultimate result being a diversification and intensification of farming, with a continuation in the future of the progress made in the recent past. "American agriculture was favored by fortune for some fifteen years; it will now have to put forth greater efforts, for less results perhaps; but it is capable of doing so" (p. 358). But there is no doubt of the final result.

As a final word on the question of the marketing of agricultural produce, M. Levasseur remarks on the protective tariffs, on grain especially, so much in vogue in Europe today. He traces the French protective legislation, without many words, to the cupidity of the land-owners, and characterizes it as at best an attempt to take money out of the pockets of one part of the French people in order to put it into those of another part.

T. B. VEBLEN.

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*Progressive Taxation in Theory and Practice.* By EDWIN R. A SELIGMAN. Publications of the American Economic Association. Vol. ix., Nos. 1 and 2. pp. 222.

In the present monograph, Professor Seligman, already well known as our foremost writer on theoretical finance, has taken up, with his accustomed scholarly thoroughness, the interesting problem of progressive taxation. The same care and industry and scholarship that characterized his admirable monograph on the *Incidence of Taxation*<sup>1</sup> is also noticeable on every page of the present work. In one important respect, however, the two essays differ: the present effort is marked by much less originality than its predecessor; it cannot be said to make any very positive contribution to either side of the controversy with which it is concerned. This difference was largely inevitable. So much thought had already been expended upon the question, the issues involved had been so thoroughly threshed out before Professor Seligman approached the problem, that there was little left to do except to restate the problem in the light of the best recent discussions, and to make a discriminating analysis of the strength and weakness in the reasoning of both champions and adversaries of progressive taxation—to separate the chaff from the grain. As a statement of the problem and as an examination of the conditions upon which its solution depends, the present essay is the best thing we have on the subject. It takes account of everything of importance that has thus

<sup>1</sup> Reviewed in vol. i. No. 2 of the JOURNAL (March, 1893).